

AMENDED IN SENATE JULY 2, 2003

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1426

Introduced by Assembly Member Steinberg

(Principal coauthor: Senator Burton)

(Coauthor: Assembly Member Leno)

(Coauthors: Senators Ducheny and Dunn), Dunn, and Machado)

February 21, 2003

An act to add and repeal Chapter 4.6 (commencing with Section 65965) of Division 1 of Title 7 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

AB 1426, as amended, Steinberg. Affordable housing: greater Sacramento region.

Existing

(1) Existing law requires the Department of Housing and Community Development, the California Housing Finance Agency, and various other state and local agencies to administer programs to provide affordable housing through incentives to developers, rental housing assistance, and loans or grants for downpayment, interest subsidy, relocation, veterans' programs, and other home purchase assistance. Existing law requires the housing element of a local general plan to identify adequate sites for affordable housing to be made available through appropriate zoning and development standards, including those relating to density.

This bill would require, except as specified, every city and every county within the greater Sacramento region, as defined, that issues building permits for residential units to require or otherwise cause at least 5% of the aggregate amount of these new residential units to be affordable to, and occupied by, very low income households, and at least 5% of the aggregate amount of these new residential units to be affordable to, and occupied by, low-income households, as specified. It would require each city and each county in the region to prepare and submit to the ~~California Tax Credit Allocation Committee~~ *Secretary for Business, Transportation and Housing* an annual report with specified information and would require the ~~committee~~ *secretary* to, no later than December 31, ~~2008~~ 2010, submit a report to the Legislature regarding the number of affordable residential units in the region. By increasing the duties imposed on local officials, this bill would impose a state-mandated local program.

This bill would, among other things, authorize the establishment of a joint powers agency to be known as the Greater Sacramento Regional Consortium and require the Department of Housing and Community Development to allocate specified funds to the ~~consortium pursuant to factors determined by the department~~ *region, as specified*.

~~This bill would require, in any action to challenge the approval, by a city or county that meets the affordable housing requirements of the bill, of a development project with units that would count toward these requirements, the approval to be upheld unless specified findings are made.~~

~~This bill would require in any action to challenge this approval, an award of reasonable costs and reasonable attorney's fees be awarded to a city or county if a court upholds the approval. {BDO61}~~The

(2) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Chapter 4.6 (commencing with Section 65965)
is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.6. GREATER SACRAMENTO REGION HOUSING
DEVELOPMENT

Article 1. Affordable Housing Production

65965. (a) (1) On and after January 1, 2005, each city and
each county within the greater Sacramento region that issues
building permits for residential units shall require or otherwise
cause, by contract or covenants running with the land, at least 5
percent of the aggregate amount of these new residential units to
be affordable to, and occupied by, very low income households,
and at least 5 percent of the aggregate amount of these new
residential units to be affordable to, and occupied by, low-income
households. Each city and each county shall meet the requirements
of this subdivision either on an annual basis or, in the aggregate,
over a ~~three-year~~ five-year period.

(2) Residential rental units required or caused to be affordable
pursuant to this ~~paragraph~~ section shall remain affordable for at
least 30 years. The city or county shall have the right of first refusal
to purchase or repurchase ~~owner-occupied for sale~~ residential
units that are affordable pursuant to this ~~paragraph~~ section and
shall recapture any subsidy at the time of sale. The home seller
shall retain the amount that represents the value of improvements
and the seller's proportionate share of appreciation. Any
recaptured subsidy shall be segregated and used strictly for
residential development at the same income level as, or at a lower
income level than, the income category of the development from
which the subsidy was recaptured. ~~A jurisdiction that chooses to
meet the requirements in the aggregate over a three-year period
may, for purposes of its first report, include the number of building
permits for residential units issued over a three-year period that~~

~~begins the year prior to when the requirements of this chapter became applicable to the jurisdiction: recaptured.~~

(3) A city or county may count the following ~~existing residential units toward not more than 10 percent of the very low income and 10 percent of the low-income requirements of paragraph (1): residential units toward not more than 20 percent of their requirements under this section, one-half of which may be for the very low income requirement and one-half of which may be for the low-income requirement:~~

(A) Substantially rehabilitated units that are certified for occupancy after January 1, 2005.

(B) Residential units affordable to, and occupied by, extremely low, very low, or low-income households pursuant to *state and* federal regulatory agreements that are expiring or have expired if the jurisdiction requires or otherwise causes these units to remain or become affordable to, and occupied by, extremely low, very low, or low-income households, in the same proportions with respect to household income level that exists or existed under the federal regulatory agreements. If a unit satisfies the requirements of both subparagraph (A) and this subparagraph, the city or county may count the unit only once toward satisfying the requirements of paragraph (1).

~~(C) Units affordable to, and occupied by, households earning less than 30 percent of the median family income, including, but not limited to, households that earn less than 30 percent of the median family income who are occupants of transitional housing where support services are regularly provided under contract or farmworker housing. These units may be counted against a city or county's low-income obligations at a rate of two low-income units for every unit affordable to, and occupied by, households earning less than 30 percent of the median family income.~~

~~(4) A city in which at least 40 percent of the housing stock is more than 40 years old may count substantially rehabilitated residential units toward not more than 15 percent of the very low income and 15 percent of the low-income requirements of paragraph (1).~~

~~(5) If the California Tax Credit Allocation Committee determines that cities or counties in the greater Sacramento region that comprise 80 percent of the region's projected population growth have entered into a joint powers agreement or adopted an~~

1 ordinance or other binding resolution to meet the requirements of
2 this section prior to January 1, 2005, then this section shall,
3 notwithstanding any other provision, only apply to those cities and
4 counties.

5 (b) Each city and each county in the greater Sacramento region
6 shall prepare and submit to the California Tax Credit Allocation
7 Committee, as defined in Section 50199.7 of the Health and Safety
8 Code, an annual report and assessment of its compliance with
9 subdivision (a), to be submitted not later than December 31, 2005,
10 and December 31 of each subsequent year. This report shall be
11 submitted on forms prepared by the California Tax Credit
12 Allocation Committee and shall conclusively demonstrate the
13 city's or county's compliance with subdivision (a).

14 For a city or county that chooses to meet the requirements of
15 subdivision (a) over a three-year period, the report shall also
16 include a narrative description of how the jurisdiction plans to
17 meet the requirements over the three-year period.

18 (c) Copies of the report shall also be made available for the
19 general public at the city's or county's planning department, local
20 public libraries, and on its Web site, if any.

21 (d) With respect to each city and county within the greater
22 Sacramento region, the requirements of this section are in addition
23 to, and do not substitute for, any other affordable housing
24 requirements.

25 (e) No later than December 31, 2008, the California Tax Credit
26 Allocation Committee, described in Section 50199.7 of the Health
27 and Safety Code, shall report to the Legislature, for each county
28 and city in the greater Sacramento region that is subject to the
29 requirements of this section, the number of residential units
30 affordable to very low or low-income households for which
31 building permits were issued from January 1, 2004, to June 30,
32 2008, inclusive, and the number of residential units affordable to
33 very low or low-income households allocated to each county and
34 city for the same period pursuant to the Sacramento Council of
35 Government's regional housing needs assessment.

36 (f) For purposes of this chapter, the following definitions
37 apply:

38 (1) "Greater Sacramento region" means the region
39 encompassing the total combined area of the Counties of El
40 Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba, excluding the

1 ~~region defined in subsection (a) of Article II of Public Law 96-551~~
2 ~~that is governed by the Tahoe Regional Planning Agency, as~~
3 ~~described in Article III of Public Law 96-551.~~

4 (2) ~~“Substantial rehabilitation” has the same meaning as in~~
5 ~~clause (iv) of subparagraph (A) of paragraph (2) of subdivision (b)~~
6 ~~of Section 33413 of the Health and Safety Code, and that all of the~~
7 ~~following requirements were met:~~

8 (A) ~~The rehabilitation was carried out or caused to be carried~~
9 ~~out with public funds.~~

10 (B) ~~The city or county has provided or caused to be provided~~
11 ~~relocation assistance pursuant to Chapter 16 (commencing with~~
12 ~~Section 7260) of Division 7 of Title 1 to any occupants temporarily~~
13 ~~or permanently displaced by, for, or in connection with the~~
14 ~~rehabilitation activity, including, but not limited to, any activity or~~
15 ~~activities that have resulted in or will result in displacement of any~~
16 ~~and all residents of the dwelling or dwellings, including, but not~~
17 ~~limited to, any code enforcement activity.~~

18 (C) ~~The local government required that any displaced~~
19 ~~occupants would have the first right to reoccupy the rehabilitated~~
20 ~~units.~~

21 (D) ~~That the rehabilitated units are affordable to, and occupied~~
22 ~~by, the same or a lower level of income residents that the units were~~
23 ~~affordable to prior to rehabilitation.~~

24 (3) ~~“Occupied” means that units required or caused to be~~
25 ~~affordable and occupied for the longest feasible time, but not less~~
26 ~~than the time requirements specified in subdivision (c) of Section~~
27 ~~33413 of the Health and Safety Code for residential units, by those~~
28 ~~with very low or low incomes as required in subdivision (a) as long~~
29 ~~as these requirements do not conflict with financing source~~
30 ~~requirements.~~

31 (4) ~~“Extremely low income” has the same meaning as set forth~~
32 ~~in Section 50106 of the Health and Safety Code.~~

33 (5) ~~“Very low income” has the same meaning as set forth in~~
34 ~~Section 50105 of the Health and Safety Code.~~

35 (6) ~~“Low income” has the same meaning as set forth in Section~~
36 ~~50079.5 of the Health and Safety Code.~~

37 65965.2. (a) ~~Cities and counties in the greater Sacramento~~
38 ~~region may establish a joint powers agency to be known as the~~
39 ~~Greater Sacramento Regional Consortium. The consortium may~~
40 ~~assist small communities to apply for state and federal housing~~

1 resources, cooperate with the federal Department of Housing and
2 Urban Development in programs for the use of federal HOME and
3 Small Cities Community Development Block Grant Program
4 funds, and assist in the creation of a multicounty mortgage revenue
5 bond authority.

6 (b) ~~Notwithstanding any other provision of law, the~~
7 ~~Department of Housing and Community Development shall~~
8 ~~allocate HOME Investment Partnership Act funds authorized~~
9 ~~pursuant to Section 50896 of the Health and Safety Code and~~
10 ~~federal Small Cities Community Development Block Grant~~
11 ~~Program funds authorized pursuant to Section 50825 of the Health~~
12 ~~and Safety Code to the consortium, based on federal and state~~
13 ~~allocation methodology, historical allocations to communities in~~
14 ~~the region, and other factors determined by the department.~~

15 (c) ~~The Department of Housing and Community Development~~
16 ~~shall direct funding awards for the Multifamily Housing Program,~~
17 ~~established pursuant to Section 50675 of the Health and Safety~~
18 ~~Code, and the other appropriate housing programs administered~~
19 ~~by the department, to the Greater Sacramento Regional~~
20 ~~Consortium, and to regional entities that are subject to the~~
21 ~~affordable housing production standard provided for in this~~
22 ~~chapter, based on state allocation methodology, historical~~
23 ~~allocations to communities in the region and other factors~~
24 ~~determined by the department.~~

25
26 Article 2. ~~Housing Development Approvals~~
27

28 65965.3. (a) ~~This article applies in each city and county that~~
29 ~~is subject to the performance standard set forth in subdivision (a)~~
30 ~~of Section 65965 and has failed to meet the performance standard~~
31 ~~either on an annual basis, if the jurisdiction has chosen to meet the~~
32 ~~standard annually, or over a three-year period if the jurisdiction has~~
33 ~~chosen to meet the standard set forth in subdivision (a) of Section~~
34 ~~65965. From January 1, 2004, to December 31, 2007, inclusive,~~
35 ~~this article applies in each city and each county that is subject to~~
36 ~~the standard set forth in subdivision (a) of Section 65965 and did~~
37 ~~not meet, as evidenced by a report consistent with the report~~
38 ~~described in subdivision (b) of Section 65965, the equivalent of at~~
39 ~~least fifty percent of the standard during the period from January~~

1 ~~1, 1999, to January 1, 2004, inclusive, had the standard been in~~
2 ~~effect.~~

3 ~~(b) Any city or county may elect, by resolution of its governing~~
4 ~~body, to make this article, or any section within this article,~~
5 ~~applicable to residential development within its jurisdiction.~~
6 ~~Applications for low- and moderate-income residential~~
7 ~~development projects in the greater Sacramento region that would~~
8 ~~count toward the affordable housing requirements of subdivision~~
9 ~~(a) of Section 65965 and are consistent with the applicable general~~
10 ~~plan land use designation, zoning ordinance, and development~~
11 ~~standards, shall be accepted and approved or disapproved without~~
12 ~~a conditional use permit or planned unit development permit.~~

13 ~~(b) For the purposes of this chapter “residential” means a use~~
14 ~~consisting of either:~~

15 ~~(1) Residential units only.~~

16 ~~(2) Mixed-use developments in which nonresidential uses are~~
17 ~~limited to commercial uses serving the neighborhood and to the~~
18 ~~first floor of buildings that are at least two stories and in which~~
19 ~~residential uses includes parking and other facilities serving~~
20 ~~residents of the development project.~~

21 ~~(c) For purposes of this chapter, a residential development~~
22 ~~project shall be deemed “consistent with the applicable general~~
23 ~~plan land use designation, zoning ordinance, and development~~
24 ~~standards” only if the development project is consistent with all~~
25 ~~of the following:~~

26 ~~(1) Applicable development standards, including site,~~
27 ~~construction, and design standards.~~

28 ~~(2) Any applicable general plan, specific plan, and local coastal~~
29 ~~program, as they existed on the date that the application was~~
30 ~~deemed complete.~~

31 ~~(3) Any applicable zoning ordinance, as that zoning ordinance~~
32 ~~existed on the date the application was deemed complete, except~~
33 ~~that consistency with the zoning or specific plan of the project~~
34 ~~property shall not be required if the project property has not been~~
35 ~~rezoned to conform with the general plan or the specific plan does~~
36 ~~not conform with the general plan.~~

37 ~~(4) Any mitigation measures required by a plan or program~~
38 ~~pursuant to the California Environmental Quality Act (Division 13~~
39 ~~(commencing with Section 21000) of the Public Resources Code).~~

1 ~~(d) For purposes of this chapter “low- and moderate-income~~
2 ~~residential development projects” means housing affordable to~~
3 ~~very low, low- and moderate-income households as defined in~~
4 ~~paragraph (2) of subdivision (h) of Section 65589.5.~~

5 ~~65965.5. (a) Permits to develop at least 10 percent of the~~
6 ~~multifamily zoned sites identified in the housing element of each~~
7 ~~jurisdiction in the greater Sacramento region shall be provided by~~
8 ~~right and conditioned upon density and development standards to~~
9 ~~accommodate and facilitate the feasibility of housing for lower~~
10 ~~income households, with at least one-half of those sites having~~
11 ~~density and development standards to accommodate very low~~
12 ~~income households. The jurisdiction shall specifically identify the~~
13 ~~sites where multifamily zoned sites will be allowed by right and~~
14 ~~describe how the permit processing procedures address the~~
15 ~~requirements of this section. The local government shall report on~~
16 ~~the development status of each site identified in the annual~~
17 ~~implementation report required pursuant to Section 65400. For~~
18 ~~purposes of this section, the phrase “by right” shall mean the use~~
19 ~~does not require a conditional use or planned unit development~~
20 ~~permit.~~

21
22 **Article 3.—Incentives**
23

24 ~~65965.6. Each city or county in the greater Sacramento region~~
25 ~~and any city or county outside the Sacramento region, that meets~~
26 ~~the requirements of Section 65965 shall receive priority eligibility~~
27 ~~in the award of competitive state grants or loans for infrastructure~~
28 ~~projects, planning, commercial or industrial development, or other~~
29 ~~economic development activities, as defined by the Governor’s~~
30 ~~Office of Planning and Research.~~

31 ~~65965.7. In any action to challenge the approval by a city or~~
32 ~~county, whether or not it is within the greater Sacramento region,~~
33 ~~that meets the affordable housing requirements of Section 65965~~
34 ~~of a development project with units that would count toward the~~
35 ~~affordability requirements of subdivision (a) of Section 65965, the~~
36 ~~approval shall be upheld unless a court finds by clear and~~
37 ~~convincing evidence that the project would have been disapproved~~
38 ~~for a reason described in paragraph (2), (3), or (6) of subdivision~~
39 ~~(d) of Section 65589.5. If a court upholds the approval, the court~~

1 shall award to the city or county reasonable costs and reasonable
2 attorneys' fees.

3
4 Article 4. ~~Contingency and Sunset~~

5
6 ~~65965.8. The Secretary of the Business, Transportation, and~~
7 ~~Housing Agency may reduce, suspend, or waive the requirements~~
8 ~~of Article 1 (commencing with Section 65965) or Article 2~~
9 ~~(commencing with Section 65965.3) in any year in which he or she~~
10 ~~makes a finding, based on clear and convincing evidence, that~~
11 ~~either of the following conditions makes the requirements~~
12 ~~unattainable for cities and counties in the greater Sacramento~~
13 ~~region:~~

14 ~~(a) A natural disaster affecting the region, as defined in Section~~
15 ~~8680.4.~~

16 ~~(b) A substantial reduction in state or federal housing funding~~
17 ~~available to the region.~~

18 *(4) Newly constructed units affordable to, and occupied by,*
19 *households earning less than 30 percent of the area median*
20 *income, including, but not limited to, households that earn less*
21 *than 30 percent of the area median income who are occupants of*
22 *transitional housing where support services are regularly provided*
23 *under contract, or farmworker housing, may be counted toward*
24 *the requirements of this section, at a rate of two low-income units*
25 *for every unit affordable to, and occupied by, households earning*
26 *less than 30 percent of the area median income.*

27 *(5) Notwithstanding paragraph (3), a city or county in which*
28 *at least 60 percent of the housing stock is more than 20 years old,*
29 *as determined by the most recent decennial census of the United*
30 *States, may count substantially rehabilitated residential units that*
31 *are certified for occupancy after January 1, 2005, toward not more*
32 *than 30 percent of their requirements under this section, one-half*
33 *of which may be for the very low income requirement and one-half*
34 *of which may be for the low-income requirement.*

35 *If the Secretary of the Business, Transportation and Housing*
36 *Agency determines that cities or counties in the greater*
37 *Sacramento region that comprise 80 percent of the region's*
38 *projected population growth have entered into a joint powers*
39 *agreement, or adopted an ordinance or other binding resolution,*
40 *to meet the requirements of this section prior to January 1, 2005,*

1 *then this section shall, notwithstanding any other provision, only*
 2 *apply to those cities and counties.*

3 *(6) A county that has less than 25 percent of its total population*
 4 *residing in the unincorporated area, as determined by the most*
 5 *recent decennial census of the United States, may elect, by*
 6 *resolution of its governing body, to make this chapter, or any*
 7 *article or section within this chapter, inapplicable to proposed*
 8 *residential unit subdivisions of less than five units. If the governing*
 9 *body of a qualifying county adopts such a resolution, any*
 10 *subdivisions of less than five units approved in that county on or*
 11 *after January 1, 1999, shall not be counted as part of that county's*
 12 *aggregate amount of new residential units as specified in this*
 13 *section.*

14 *(b) Each city and each county in the greater Sacramento region*
 15 *shall prepare and submit to the Secretary of the Business,*
 16 *Transportation and Housing Agency an annual report and*
 17 *assessment of its compliance with this section, to be submitted not*
 18 *later than December 31, 2005, and December 31 of each*
 19 *subsequent year. This report shall be submitted on forms prepared*
 20 *by the secretary and shall conclusively demonstrate the city's or*
 21 *county's compliance with this section. The first report submitted*
 22 *pursuant to this subdivision shall document the total number of*
 23 *new residential units constructed and the percentages made*
 24 *affordable to and occupied by low-income and very low income*
 25 *households, respectively, between January 1, 1999, and January*
 26 *1, 2004. For a city or county that elects to meet the requirements*
 27 *of this section in the aggregate over a five-year period, the report*
 28 *shall also include a narrative description of how the jurisdiction*
 29 *plans to meet the requirements over the five-year period. A*
 30 *jurisdiction that elects to meet the requirements of this section over*
 31 *a five-year period may, for purposes of its first report, count toward*
 32 *the requirements of this section the number of building permits for*
 33 *residential units issued over a five-year period that begins the year*
 34 *prior to the year that the requirements of this chapter became*
 35 *applicable to the jurisdiction.*

36 *(c) Copies of the report shall also be made available for the*
 37 *general public at the city's or county's planning department, local*
 38 *public libraries, and on its Web site, if any.*

39 *(d) No later than December 31, 2010, the Secretary of the*
 40 *Business, Transportation and Housing Agency shall report to the*

1 Legislature, for each county and city in the greater Sacramento
2 region that is subject to this section, the total number of residential
3 units and the number of residential units affordable to very low or
4 low-income households for which building permits were issued
5 from January 1, 1999, to June 30, 2010, inclusive, and the number
6 of residential units affordable to very low or low-income
7 households allocated to each county and city for the same period
8 pursuant to the Sacramento Council of Governments' regional
9 housing needs assessment.

10 (e) Nothing in this section shall be construed to diminish the
11 authority of counties to have their share of the regional housing
12 need reduced and reallocated to one or more cities within their
13 county pursuant to paragraph (5) of subdivision (c) of Section
14 65584.

15 (f) For purposes of this chapter, the following definitions apply:

16 (1) "Greater Sacramento region" means the region
17 encompassing the total combined area of the Counties of El
18 Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba, excluding the
19 region defined in subsection (a) of Article II of Public Law 96-551
20 that is governed by the Tahoe Regional Planning Agency, as
21 described in Article III of Public Law 96-551.

22 (2) In order to be counted as "substantial rehabilitation," the
23 rehabilitation work on a unit shall meet the definition of
24 "substantial rehabilitation" in clause (iv) of subparagraph (A) of
25 paragraph (2) of subdivision (b) of Section 33413 of the Health
26 and Safety Code, and all of the following requirements:

27 (A) The rehabilitation was carried out or caused to be carried
28 out with public funds.

29 (B) The city or county has provided or caused to be provided
30 relocation assistance pursuant to Chapter 16 (commencing with
31 Section 7260) of Division 7 of Title 1 to any occupants temporarily
32 or permanently displaced by, for, or in connection with the
33 rehabilitation activity, including, but not limited to, any activity or
34 activities that have resulted in or will result in displacement of any
35 and all residents of the dwelling or dwellings, including, but not
36 limited to, any code enforcement activity.

37 (C) The local government required that any displaced
38 occupants would have the first right to reoccupy the rehabilitated
39 units.

1 (D) *The rehabilitated units are affordable to, and occupied by,*
2 *the same or a lower level of income residents that the units were*
3 *affordable to prior to rehabilitation.*

4 (3) *“Affordable to, and occupied by” means units available at*
5 *affordable housing cost as defined by Section 50052.5 of the*
6 *Health and Safety Code and occupied by households in the income*
7 *levels required by this section for the time period specified by this*
8 *section, or where not specified, the longest feasible time not less*
9 *than specified in Section 33413 of the Health and Safety Code as*
10 *long as the time does not conflict with requirements of any state or*
11 *federal source of financing.*

12 (4) *“Extremely low income” has the same meaning as set forth*
13 *in Section 50106 of the Health and Safety Code.*

14 (5) *“Very low income” has the same meaning as set forth in*
15 *Section 50105 of the Health and Safety Code.*

16 (6) *“Low income” has the same meaning as set forth in Section*
17 *50079.5 of the Health and Safety Code.*

18 (7) *“Residential unit” has the same meaning as “residential*
19 *structure” as set forth in Section 50099 of the Health and Safety*
20 *Code and includes manufactured homes as defined in Section*
21 *18007 of, and mobilehomes as defined in Section 18008 of, the*
22 *Health and Safety Code.*

23 65965.2. (a) *Cities and counties in the greater Sacramento*
24 *region may establish a joint powers agency to be known as the*
25 *Greater Sacramento Regional Consortium. The consortium may*
26 *assist small communities to apply for state and federal housing*
27 *resources, cooperate with the federal Department of Housing and*
28 *Urban Development in programs for the use of federal HOME*
29 *Investment Partnership Act funds for nonentitlement jurisdictions*
30 *and Small Cities Community Development Block Grant Program*
31 *funds to facilitate the state’s allocation of these funds to*
32 *nonentitlement jurisdictions, and assist in the creation of a*
33 *multicounty mortgage revenue bond authority.*

34 (b) *Notwithstanding any other provision of law, the*
35 *Department of Housing and Community Development shall*
36 *allocate HOME Investment Partnership Act funds authorized*
37 *pursuant to Section 50896 of the Health and Safety Code and*
38 *federal Small Cities Community Development Block Grant*
39 *Program funds authorized pursuant to Section 50825 of the Health*
40 *and Safety Code to the greater Sacramento region directly by*

1 *formula to each city or county that is subject to the affordable*
2 *housing production standard provided for in this chapter, that*
3 *chooses to receive funds directly rather than on a competitive*
4 *basis, and that is not entitled to receive those funds pursuant to*
5 *federal law. The allocation shall be based on federal methodology,*
6 *including the methodology utilized in making allocations to*
7 *entitlement jurisdictions, and shall be consistent with federal and*
8 *state program regulations. The formula allocation shall be the*
9 *historic allocation to participating cities and counties in the region*
10 *of nonentitlement funding. Cities and counties receiving*
11 *allocations pursuant to this subdivision may, in their discretion,*
12 *pool funds for use through the consortium.*

13 *(c) In making funding awards for the CalHome program within*
14 *regions subject to the affordable housing production standard*
15 *provided for in this chapter and to cities and counties that meet the*
16 *production requirements of this section, the department shall give*
17 *equal priority to projects in revitalization areas and new growth*
18 *areas. In making funding awards for the Local Housing Trust Fund*
19 *Matching Grant Program within regions subject to the affordable*
20 *housing production standard provided for in this chapter, the*
21 *department shall not require a minimum allocation to its*
22 *applicants.*

23 *(d) The California Tax Credit Allocation Committee shall draft*
24 *guidelines to establish a linkage between the affordable housing*
25 *production standard and the allocation of low-income housing tax*
26 *credits.*

27 28 *Article 2. Incentives*

29
30 *65965.6. It is the intent of the Legislature in enacting this*
31 *chapter that any future state housing bond act contain an*
32 *appropriate set aside of funding for regions that have successfully*
33 *implemented the type of affordable housing production standard*
34 *created by this chapter.*

35 36 *Article 3. Contingency and Sunset*

37
38 *65965.8. Upon the request of any person or entity, the*
39 *Secretary of the Business, Transportation and Housing Agency*
40 *may reduce, suspend, or waive the requirements of this chapter at*



1 *any time if he or she makes a finding, based on clear and*
2 *convincing evidence, that either of the following conditions makes*
3 *the requirements unattainable for cities and counties in the greater*
4 *Sacramento region:*

5 *(a) A natural disaster affecting the region, as defined in Section*
6 *8680.4.*

7 *(b) State or federal housing funds identified in Sections*
8 *65965.2 and 65965.6 that are committed, allocated, and available*
9 *to the region are not sufficient to fully fund the production*
10 *standards provided in this chapter.*

11 65965.9. This chapter shall remain in effect only until January
12 1, 2010, and as of that date is repealed, unless a later enacted statute
13 that is enacted before January 1, 2010, deletes or extends that date.

14 SEC. 2. The Legislature finds and declares that a special law
15 is necessary and that a general law cannot be made applicable
16 within the meaning of Section 1 of Article IV of the California
17 Constitution due to the unique fiscal, jurisdictional, and public
18 service dynamics in the greater Sacramento region.

19 SEC. 3. Notwithstanding Section 17610 of the Government
20 Code, if the Commission on State Mandates determines that this
21 act contains costs mandated by the state, reimbursement to local
22 agencies and school districts for those costs shall be made pursuant
23 to Part 7 (commencing with Section 17500) of Division 4 of Title
24 2 of the Government Code. If the statewide cost of the claim for
25 reimbursement does not exceed one million dollars (\$1,000,000),
26 reimbursement shall be made from the State Mandates Claims
27 Fund.